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ABSTRACT

According to data regarding apprentices and trainees in Australia in 1985-1999, the number of apprentices and trainees in Australia reached a record level of 256,000 in June 1999 (versus 172,800 in 1990). Apprentices and trainees undertaking training at Australian Qualifications Framework level III or higher for more than 2 years accounted for approximately 50% of those in training in 1999. As of June 30, 1999, 2.0% of Australia's residents aged 15-64 years were either apprentices or trainees. The number of apprenticeships and traineeships in the traditional trades increased from 120,200 in June 1995 to 130,700 in June 1999. Between June 1997 and June 1999, apprenticeships and traineeships in intermediate and clerical sales and service occupations increased by 131%; those in elementary clerical sales and service occupations increased by 427%; those in intermediate and transport occupations increased by 259%; and those in the occupation of laborer and related occupations increased by 158%. In 1997, 1998, and 1999, operating expenditures of Australia's publicly funded vocational education and training (VET) system totaled approximately $3.95 billion (versus $3.2 billion in 1995 and $3.5 billion in 1996). Although funding for Australia's New Apprenticeships program is considerable, it

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represents a small component of VET operating expenses. (Ten tables/figures are included.) (MN)

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At a **Glance**

ED 447 348

Apprentices and Trainees in Australia 1985 to 1999

Apprentices and Trainees in Australia 1985 to 1999: At a glance provides information about apprentices and trainees as a basis of comparison with future New Apprenticeship data. Historical information is presented for the last fifteen years, considering the changing nature of training during this time.

Key points include:

The number of apprentices and trainees in Australia reached a record level of 256,500 by 30 June 1999.

Apprentices and trainees undertaking training at AQF level III or higher and of more then two years duration, made up around 50% of the total number in training in 1999.

The total number of apprentices and trainees in training as at 30 June 1999 represents around 2.0% of the Australian residential 15 to 64 year old population. This compares with 1.4% and 1.6% at 30 June in 1997 and 1998 respectively.

The number of apprenticeships and traineeships in the traditional trades has increased from 120,200 at 30 June 1995 to 130,700 at 30 June 1999.

Between 30 June 1997 and 30 June 1999, apprentices and trainees in training in intermediate clerical sales and service workers occupations rose by 131%, elementary clerical sales and service workers by 427%, intermediate production and transport workers by 259%, and labourers and related workers by 158%.

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Australian Apprentice & Trainee Statistics

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Apprentices and Trainees in Australia 1985 to 1999

Introduction

As the skill needs of the Australian workforce continue to change over time, so has the employment-based training system changed to adapt to and deliver the skills required to the new workforce environment. Many factors including technological change, the need to improve the transition from school to work and the requirement of business and industry for more highly skilled apprentices and trainees, have impacted on the training system.

In response to these changing needs, the Government reformed the apprenticeship and traineeship system to provide more flexible and responsive training to encourage employers to offer more jobs to young people.

The training arrangements introduced from 1 January 1998 and which cover both apprentices and trainees, are collectively known as New Apprenticeships. Contemporary, more flexible training in both traditional and new growth industries like computing, hospitality, sport and recreation, tourism, childcare, retail, metals and engineering, multi-media, horticulture and more, are now obtainable through New Apprenticeships. There has been particularly strong growth in the number of traineeship commencements. Along with this growth in traineeships, we have also seen the emergence of traineeships in the 'traditional' trade areas.

As apprenticeships and traineeships are now combined under the one banner of 'New Apprenticeships', it is no longer possible to distinguish between apprentices and trainees. However, a way of looking at New Apprenticeships in a roughly equivalent manner to that previously possible apprentice/trainee split, is to look at them by duration of training and Australian Qualification Framework (AQF) level. Generally speaking, those New Apprenticeships at AQF level III or higher and of more than two years duration, may be considered a rough proxy for apprenticeships. The remainder may be considered a rough proxy for traineeships, that is, contracts of training of two years or less duration and those at AQF level II or lower or equivalent.

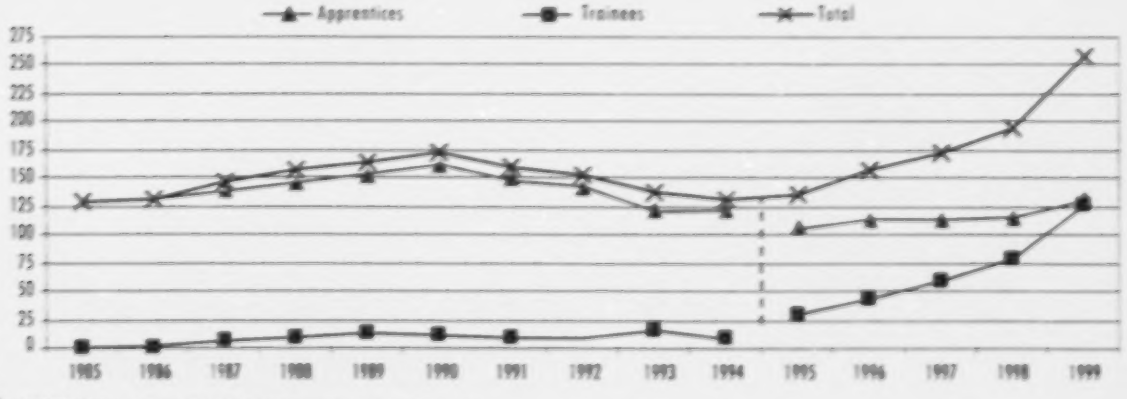
The purpose of this publication is to put into historical context apprenticeship and traineeship information and to provide a basis for comparison with future New Apprenticeship data. The publication includes references to time series information over the past fifteen years.

Growth in apprentice and trainee numbers

The figure below (figure 1) provides a graphical representation of the number of apprentices and trainees in-training over the period 1985 to 1999. Since an historical high of 172,800 apprentices and trainees in training was reached in 1990, this was surpassed in 1998 with 194,200 apprentices and trainees in training. This figure has now grown to around 256,500 as at 30 June 1999 (table 1 and figure 2).

Similarly, the number of apprenticeship and traineeship commencements and recommencements has now grown above the historical high of 76,500 in 1988/89 to 203,000 in 1998/99.

Figure 1: Apprentices and trainees in training at 30 June, 1985 to 1999*, Australia



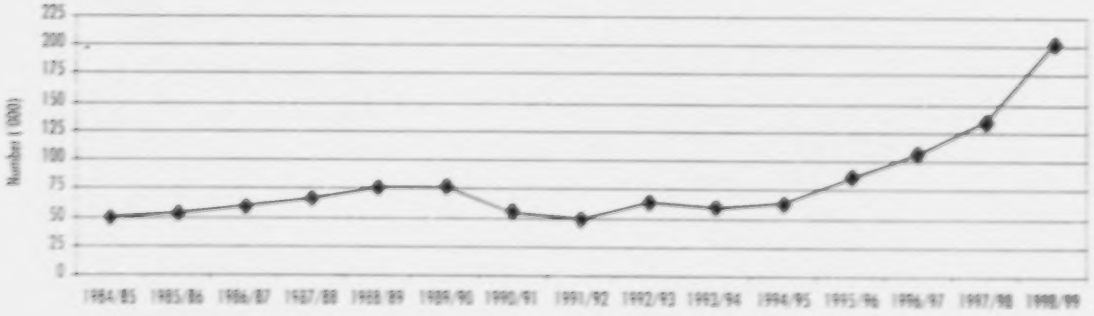
Note: The number of trainees in training has been estimated between 1985 to 1992.
*Break in series due to change in the method used to distinguish the two groups. For 1995 onwards, the 'apprentice' group consists of those contracts at AQF level III or higher with an expected duration of over two years.

Table 1: Contracts of training, 1984/85 to 1998/99

	Number of commencements and recommencements ('000)				Number in training ('000)		
Year	Apprentices	Trainees (1)	Total	30 June	Apprentices	Trainees (2)	Total
1984/85	49.3	0.0	49.3				
1985/86	51.8	1.1	52.9	1985	128.6	0.0	128.6
1986/87	52.1	7.3	59.3	1986	130.4	1.0	131.4
1987/88	55.0	10.5	65.5	1987	138.9	6.4	145.3
1988/89	62.7	13.9	76.5	1988	147.1	9.2	156.3
1989/90	62.3	13.4	75.7	1989	151.7	12.2	163.9
1990/91	45.0	9.6	54.6	1990	161.0	11.8	172.8
1991/92	40.5	9.4	49.9	1991	151.0	9.2	160.2
1992/93	46.1	17.0	63.0	1992	142.9	9.0	151.9
1993/94	50.5	8.9	59.4	1993	122.7	14.9	137.5
1994/95	49.8	13.8	63.6	1994	123.3	7.8	131.1
Year	Cert. III or higher and >2 years duration	Other	Total	30 June	Cert. III or higher and >2 years duration	Other	Total
1995/96	36.2	50.1	86.3	1995	107.5	28.5	136.0
1996/97	36.3	69.6	106.0	1996	112.7	44.0	156.7
1997/98	40.1	94.2	134.3	1997	113.8	58.5	172.3
1998/99	57.6	145.4	203.0	1998	115.3	78.9	194.2
				1999	130.5	126.0	256.5

(1) Trainee recommencements have been estimated between 1985/86 and 1993/94
(2) The number of trainees in training have been estimated between 1985 and 1993
Note: From 1995/96 contracts of training are not separately identified as apprentices or trainees

Figure 2: Apprentice and trainee commencements and recommencements, 1984/85 to 1998/99, Australia



An historical perspective

An apprenticeship system, in one form or another, has been in place in Australia since 1805. Since Federation in 1901, the apprenticeship system of each State and Territory has progressed independently, though generally over similar lines. While a succession of committees, conferences and councils assisted in the national co-ordination of apprenticeship programmes, the training and employment conditions of apprenticeships covered by State and Federal awards remained regulated by legislation and administered by State Training Authorities.

Statistical information on apprenticeships was prepared by various Commonwealth departments and dates from the early 1960s to June 1992, after which time the National Centre for Vocational Education Research (NCVER) took over the responsibility for production. Prior to 1 July 1994, information collected from States and Territories was not nationally consistent.

In 1985 Commonwealth and State governments introduced a new form of structured training for entry into the workforce, the Australian Traineeship System (ATS), to provide fundamental improvements in training arrangements for non-trades employment. The ATS was designed to complement the apprenticeship system and post-secondary education and to provide additional arrangements for the post-school training of young people. Statistical information on the ATS was prepared by the Commonwealth Department for Employment, Education and Training (DEET) from 1985 until June 1993, after which time NCVER took over the responsibility for production.

Along with the introduction of New Apprenticeships on January 1, 1998, a new subsidy regime was also introduced, taking effect from 1 January 1998. The Commonwealth Incentives Programme for New Apprenticeships includes provision of incentives to employers and Group Training Companies for New Apprenticeship commencements, progressions to higher AQF levels, and completions. There is also provision for a living away from home allowance to be paid to New Apprentices in qualifying circumstances.

Apprentices and Trainees in Australia 1985 to 1999

Table 1 illustrates apprentice and trainee commencements (including recommencements) and numbers in training as at 30 June for the years 1985/86 to 1998/99. The number of apprentices and trainees in Australia reached a record level of 256,500 by 30 June 1999. This figure is the highest yet achieved, surpassing training numbers recorded during the peak training period in 1989/90. While traditionally trade-based apprenticeship commencements appear to be lower in 1996/97 than at any time during the previous four years, it should be noted that the number of trainees in structured training has increased massively. Many of these trainees are in fact receiving training in trade-based areas, suggesting that trades training is increasing rather than declining (discussed later in 'The changing focus in training'). At 30 June 1999, those in certificate level III or higher courses of more than two years duration made up around 50% of the total number in training.

Major policy developments which have affected apprenticeships and traineeships include:

- 1985/86: Australian Traineeship System introduced by the Commonwealth Government in 1985 to complement the existing apprenticeship system and provide fundamental improvements in training arrangements for non-trades employment (particularly clerical and retail occupations).
- 1988/89 to 1990/91: Decline in real value of building commencements of 18% and 19% respectively. Due to a lag effect this impacted on apprenticeship numbers in 1990/91 and 1991/92.
- 1990/91 to 1992/93: Slow down continues for building industry between 1990/91 and 1991/92. Picks up between 1991/92 and 1992/93, with an 8% increase in the real value of building commencements.
- 1990/91 to 1991/92: Recession – economic growth between -0.2% and -0.5%. Decline in manufacturing as a proportion of Gross Domestic Product (GDP).
- 1992/93: Measures introduced under the 'One Nation Economic Statement' to arrest the decline in the number of apprenticeship and traineeship commencements. Career Start and NETTFORCE Traineeships introduced under the Australian Vocational Certificate Training System.
- 1993/94: 'Working Nation' initiatives announced, including new employer initiatives, adults able to access traineeships for the first time, and introduction of the National Training Wage.
- 1995/96: Enhancements to 'Working Nation'. Introduction of JobStart and JobCompact initiatives.
- 1996/97 : Modern Apprenticeship and Traineeship System (MAATS) policy formulated as part of a review of labour market programmes to make delivery of training more efficient and to better target the needs of job seekers.
- 1997/98: Restructure of MAATS resulting in the introduction of New Apprenticeships from 1 January 1998, with more flexible training options to better meet the needs of employers and their New Apprentices.
- 1998: New subsidy scheme for employers introduced with the introduction of New Apprenticeships on 1 January 1998 – the Commonwealth Incentives Programme for New Apprenticeships.

New Apprenticeships

As outlined in the introduction, New Apprenticeships have been designed to ensure training flexibility that will meet the needs of the employer or enterprise as well as individual trainees or apprentices.

New Apprenticeships provide flexibilities such as:

- school-based apprenticeships and traineeships
- modernised training in traditional areas
- new quality training opportunities in growth industries such as information technology and multi-media
- new one-stop-shop support services
- user choice (business can select their own training provider)
- varied durations for apprenticeships and traineeships
- varied proportions of on-the-job and off-the-job training
- access to part-time arrangements.

Of particular importance is the fact that under New Apprenticeships both the duration of training and the proportions of training and productive time can be varied and there are now trainees training in trade-based occupations in which only apprenticeships had previously been offered.

Once in a New Apprenticeship, trainees and apprentices are covered by formal agreements known as either 'Training Agreements' or 'Contracts of Training' which outline the training, support and supervision an employer will provide.

Further information on New Apprenticeships may be obtained by calling the Commonwealth Government's New Apprenticeship hotline on **1800 639 629** or by visiting the web site at **http://www.newapprenticeships.gov.au.**

Changing demographic profile

Since the introduction of New Apprenticeships, while the participation of younger people in apprenticeships and traineeships continues to grow, particularly strong growth has occurred in the number of older persons undertaking apprenticeships or traineeships. As a result, apprenticeships and traineeships now encompass a much broader range of age groups than previously. There has also been strong growth in the proportion of apprentices and trainees who are female, increasing from 16.5% in 1995 to 32.2% in 1999.

Comparison with VET student population

To date, the data relating to the on-the-job training of apprentices and trainees has been collected separately from the data on their off-the-job training. More recent work has enabled the matching of these two data sets to provide richer, more detailed information on apprentices and trainees and their off-the-job training programmes.

The profile of apprentices and trainees studying with a technical and further education provider was markedly different in 1997 from that of the general VET student population with 47.7% aged 15 to 19 years and 23.2% being female, in contrast to 19.9% aged 15 to 19 years and 48.1% female for the general VET population.

Level of training

While growth in the number of apprentices and trainees has been strong due particularly to the growth in traineeships, indications are that the level at which off-the-job training is undertaken remains high, with over 60% of apprentice and trainee off-the-job course enrolments being at Australian Qualifications Framework (AQF) level III or higher in 1999.

Apprentice and trainee completions

As can be seen from the table below, the number of apprenticeship and traineeship completions for the vast majority of the occupation groups shown has increased from 1995/96 to 1998/99. The main exceptions were a slight decline in the number of completions in the skilled agricultural and horticultural workers category, and a steady number of completions for hairdressers and advanced clerical and service workers.

Particularly notable growth in the number of completions occurred for both intermediate and elementary clerical, sales and service workers over the period 1995/96 to 1998/99. This can be attributed primarily to the roll-out of traineeships in these occupational areas. Notable growth in the number of completions also occurred for labourers and related workers from 1995/96 to 1998/99 (table 2).

Table 2: Completions 1995/96 to 1998/99 by occupation group (ASCO)

		Apprentice and trainee completions ('000)			
Occupation group		**1995/96**	**1996/97**	**1997/98**	**1998/99**
Trades and related occupations:					
41	Mechanical and fabrication engineering tradespersons	4.0	4.3	4.8	4.8
42	Automotive tradespersons	3.7	4.3	4.9	4.8
43	Electrical and electronics tradespersons	3.3	3.3	3.6	3.5
44	Construction tradespersons	4.7	5.8	6.2	5.3
45	Food tradespersons	2.5	2.7	2.9	2.8
46	Skilled agricultural and horticultural workers	0.7	0.7	0.7	0.6
4900	Other tradespersons and related workers	1.5	1.9	2.3	2.0
4931	Hairdressers	2.2	2.3	2.2	2.0
Sub-total: trades and related occupations		*22.6*	*25.3*	*27.6*	*25.7*
Non-trade occupations:					
1	Managers and administrators	0.5	1.0	1.4	1.1
2	Professionals	0.1	0.1	0.2	0.8
3	Associate professionals	0.5	1.4	2.3	3.3
5	Advanced clerical and service workers	0.1	0.1	0.1	0.1
6	Intermediate clerical, sales and service	5.4	10.2	13.6	16.8
7	Intermediate production and transport	0.2	0.8	0.9	1.3
8	Elementary clerical, sales and service	1.5	3.0	3.8	5.3
9	Labourers and related workers	0.9	2.2	3.9	5.9
Sub-total: non-trade occupations		*9.1*	*18.9*	*26.2*	*34.5*
Total: all occupations		**31.7**	**44.2**	**53.7**	**60.2**

Apprentices and trainees in training as at 30 June

Participation rates 1997 to 1999

AUSTRALIA

The estimated residential population of Australia at 30 June 1999 was 19.0 million, with 12.7 million 15 to 64 year olds. The total number in training at 30 June 1999 was approximately 256,300, representing 2.0% of the Australian residential population of 15 to 64 year olds.

		Number in training as at 30 June ('000)			% of corresponding residential population age cohort		
	Ages	1997	1998	1999	1997	1998	1999
Males	15-19	60.6	62.9	69.3	9.1	9.3	10.1
	20-24	56.4	56.9	60.2	8.1	8.2	8.7
	25-29	8.8	10.6	15.3	1.2	1.4	2.1
	30-64	9.4	13.6	28.9	0.2	0.3	0.7
Females	15-19	16.8	19.6	25.6	2.7	3.1	3.9
	20-24	12.3	14.7	20.9	1.8	2.2	3.1
	25-29	2.8	4.2	8.7	0.4	0.6	1.2
	30-64	5.1	11.6	27.4	0.1	0.3	0.6
Total	15-19	77.3	82.5	94.9	6.0	6.3	7.1
	20-24	68.8	71.6	81.1	5.0	5.3	6.0
	25-29	11.6	14.8	23.9	0.8	1.0	1.6
	30-64	14.5	25.2	56.4	0.2	0.3	0.7
All ages (15-64)		172.2	194.1	256.3	1.4	1.5	2.0

NEW SOUTH WALES

The estimated residential population of New South Wales at 30 June 1999 was 6.4 million, with 4.3 million 15 to 64 year olds. At 30 June 1999, New South Wales reported 24.8% of the total number in training in Australia. This represented 1.5% of the residential population of 15 to 64 year olds in New South Wales.

	Number in training as at 30 June ('000)			% of corresponding residential population age cohort		
	1997	1998	1999	1997	1998	1999
15-19	26.3	26.5	29.0	6.1	6.1	6.6
20-24	20.3	20.2	21.5	4.5	4.5	4.8
25-29	2.7	3.0	4.3	0.6	0.6	0.9
30-64	2.4	3.4	8.7	0.1	0.1	0.3
All ages	51.8	53.2	63.5	1.2	1.3	1.5

VICTORIA

The estimated residential population of Victoria at 30 June 1999 was 4.7 million, with 3.2 million 15 to 64 year olds. At 30 June 1999, Victoria reported 27.5% of the total number in training in Australia. This represented 2.2% of the residential population of 15 to 64 year olds in Victoria.

	Number in training as at 30 June ('000)			% of corresponding residential population age cohort		
	1997	1998	1999	1997	1998	1999
15-19	17.5	19.3	22.8	5.5	6.0	7.0
20-24	18.9	20.1	24.1	5.5	5.9	7.0
25-29	3.0	3.7	7.4	0.8	1.0	2.0
30-64	3.5	4.5	16.2	0.2	0.2	0.8
All ages	42.9	47.6	70.5	1.4	1.5	2.2

QUEENSLAND

The estimated residential population of Queensland was 3.5 million at 30 June 1999, with 2.4 million 15 to 64 year olds. At 30 June 1999, Queensland reported 22.2% of the total number in training in Australia. This represented 2.4% of the residential population of 15 to 64 year olds in Queensland.

	Number in training as at 30 June ('000)			% of corresponding residential population age cohort		
	1997	1998	1999	1997	1998	1999
15-19	14.6	16.1	21.1	5.9	6.4	8.2
20-24	14.6	15.2	17.1	5.6	5.9	6.7
25-29	2.9	4.2	5.5	1.1	1.5	2.0
30-64	5.0	10.7	13.2	0.3	0.7	0.8
All ages	37.0	46.2	57.0	1.6	2.0	2.4

SOUTH AUSTRALIA

The estimated residential population of South Australia is 1.5 million, with 1.0 million 15 to 64 year olds. At 30 June 1999, South Australia reported 10.4% of the total number in training in Australia. This represented 2.7% of the residential population of 15 to 64 year olds in South Australia.

	Number in training as at 30 June ('000)			% of corresponding residential population age cohort		
	1997	1998	1999	1997	1998	1999
15-19	5.0	6.1	7.1	5.1	6.1	7.1
20-24	5.2	6.0	7.6	5.0	5.9	7.5
25-29	1.0	1.6	3.3	1.0	1.5	3.1
30-64	1.4	3.6	8.5	0.2	0.5	1.3
All ages	12.6	17.4	26.6	1.3	1.8	2.7

AUSTRALIA

Percentage in training 1985 to 1999

June 30	Total number in training ('000)	% of corresponding residential population age cohort
1985	128.6	1.2
1986	131.4	1.2
1987	145.3	1.3
1988	156.3	1.4
1989	163.9	1.5
1990	172.8	1.5
1991	160.2	1.4
1992	151.9	1.3
1993	137.5	1.2
1994	131.1	1.1
1995	136.0	1.1
1996	156.7	1.3
1997	172.3	1.4
1998	194.2	1.6
1999	256.5	2.0

WESTERN AUSTRALIA

The estimated residential population of Western Australia at 30 June 1999 was 1.7 million, with 1.3 million 15 to 64 year olds. At 30 June 1999, Western Australia reported 7.5% of the total number in training in Australia. This represented 1.5% of the residential population of 15 to 64 year olds in Western Australia.

	Number in training as at 30 June ('000)			% of corresponding residential population age cohort		
	1997	1998	1999	1997	1998	1999
15-19	9.7	10.0	9.9	7.4	7.5	7.3
20-24	5.8	6.0	5.8	4.2	4.3	4.1
25-29	1.1	1.2	1.2	0.8	0.8	0.8
30-64	1.1	1.7	2.4	0.1	0.2	0.3
All ages	**17.7**	**18.9**	**19.3**	**1.6**	**1.5**	**1.5**

NORTHERN TERRITORY

The estimated residential population of Northern Territory is 193 thousand, with 136 thousand 15 to 64 year olds. At 30 June 1999, Northern Territory reported 0.9% of the total number in training in Australia. This represented 1.7% of the residential population of 15 to 64 year olds in Northern Territory.

	Number in training as at 30 June ('000)			% of corresponding residential population age cohort		
	1997	1998	1999	1997	1998	1999
15-19	0.8	0.9	0.9	5.9	6.0	6.0
20-24	0.7	0.7	0.7	4.0	4.0	4.1
25-29	0.2	0.2	0.3	1.1	1.2	1.3
30-64	0.3	0.4	0.4	0.4	0.4	0.5
All ages	**2.0**	**2.1**	**2.3**	**1.6**	**1.6**	**1.7**

TASMANIA

The estimated residential population of Tasmania at 30 June 1999 was 470 thousand, with 307 thousand 15 to 64 year olds. At 30 June 1999, Tasmania reported 4.7% of the total number in training in Australia. This represented 3.9% of the residential population of 15 to 64 year olds in Tasmania.

	Number in training as at 30 June ('000)			% of corresponding residential population age cohort		
	1997	1998	1999	1997	1998	1999
15-19	2.5	2.6	2.77	7.3	7.4	8.0
20-24	1.7	1.9	2.7	5.5	6.1	9.0
25-29	0.3	0.4	1.4	1.0	1.3	4.6
30-64	0.4	0.6	5.2	0.2	0.3	2.5
All ages	**4.9**	**5.4**	**12.1**	**1.6**	**1.8**	**3.9**

AUSTRALIAN CAPITAL TERRITORY

The estimated residential population of Australian Capital Territory at 30 June 1999 was 310 thousand, with 220 thousand 15 to 64 year olds. At 30 June 1999, Australian Capital Territory reported 2.0% of the total number in training in Australia. This represents 2.4% of the residential population of 15 to 64 year olds in Australian Capital Territory.

	Number in training as at 30 June ('000)			% of corresponding residential population age cohort		
	1997	1998	1999	1997	1998	1999
15-19	1.0	1.1	1.3	3.9	4.4	5.4
20-24	1.6	1.6	1.7	5.8	5.9	6.0
25-29	0.3	0.3	0.5	1.3	1.3	1.8
30-64	0.4	0.4	1.8	0.3	0.3	1.2
All ages	**3.3**	**3.4**	**5.2**	**1.5**	**1.6**	**2.4**

Table 3: Total number in training at 30 June 1985 to 1999 by occupation group (ASCO)*

Occupational group (1985 to 1994)		Apprentices and trainees in training at 30 June ('000)[1]						
		1985	1986	1987	1988[2]	1989	1990	1991
1	Managers & administrators	0.0	0.0	0.0	a	a	0.1	0.1
2	Professionals	0.0	0.0	0.0	0.0	0.0	0.0	0.0
3	Para-professionals	0.0	a	a	0.1	0.1	0.1	0.1
41	Metal fitt/mach	..	..	..	15.2	15.5	16.2	15.1
42	Other Metal	44.5	42.1	43.4	11.6	12.2	13.4	12.3
43	Electrical	18.3	18.0	17.9	20.9	21.9	23.3	22.4
44	Building	21.9	22.8	25.2	27.7	30.3	32.7	30.6
45	Printing	3.4	3.8	4.3	4.7	3.4	4.5	4.0
46	Vehicle	6.0	6.5	7.3	23.8	25.3	27.1	25.3
47	Food	11.0	12.0	13.2	13.9	13.8	14.3	13.9
48	Horticulture	..	..	..	3.2	3.4	3.5	3.5
4927	Hairdressing	..	..	14.5	14.0	13.6	13.2	12.5
4900	Other	..	..	13.0	12.0	12.4	12.8	11.3
5	Clerks	0.0	0.9	4.7	7.1	7.9	7.4	5.4
6	Salespersons & personal services workers	0.0	a	0.8	0.7	0.8	2.8	2.5
7	Plant & machine operators & drivers	0.0	0.0	0.1	0.4	0.9	0.6	0.5
8	Labourers & related workers	0.0	0.1	0.7	0.9	2.5	0.9	0.6
TOTAL		**128.6**	**131.4**	**145.3**	**156.3**	**163.9**	**172.8**	**160.2**

* *There is a break in series for the ASCO code from 1994 to 1995 - the latest edition ASCO code is used for 1995 on*

a *The number in training is less than 50*

1 *The number of trainees in training have been estimated between 1985 and 1993*

2 *From 1988 onwards changes were made to occupational groupings. These include the splitting of 'Metal' into two trade groups - 'Metal Fitting and Machining' and 'Other Metal'; the removal of 'Horticulture' from the 'Miscellaneous' trade group category as a separate grouping; and the transfer of the trade Vehicle Mechanic from the 'Metal' trade group category to the 'Vehicle' trade*

3 *From 1995 onwards farming vocations were transferred from the 'Miscellaneous' trade group to 'Managers and Administrators'*

Labour force skill levels

This section provides a comparison of growth in apprentice and trainee numbers in training with a forecast of employment growth in the tradespersons occupations.

For the tradespersons and related workers occupational category overall, the total number in employment is forecast to grow from 1,154,500 in 1997/98 to 1,205,600 in 2000/01 representing an average annual growth rate of 1.5%. Given the annual growth rate for apprentices and trainees in this occupational category of 2.3% over the period 1995 to 1999, indications are that the number of apprentices and trainees in training as a proportion of the number employed in this occupational category will increase from its current level of around 11% (table 4).

Table 4: Number in-training annual growth rates, 30 June 1995 to 1999

Occupation		Compound annual rate of growth, 1995 to 1999
Tradepersons and related workers		**2.3**
41	Mechanical and fabrication engineering tradespersons	0.0
42	Automotive tradespersons	2.3
43	Electrical and electronics tradespersons	4.1
44	Construction tradespersons	0.0
45	Food tradespersons	8.3
46	Skilled agricultural and horticultural workers	2.1
49	Other tradespersons and related workers	0.6

1992	1993	1994	1995[1]	1996	1997	1998	1999		Occupational group (1995 onwards)
0.1	0.1	0.1	1.6	2.3	2.8	2.4	2.5	1	Managers & administrators
0.0	0.0	0.0	0.1	0.2	0.4	1.5	1.6	2	Professionals
0.1	0.2	0.1	1.3	2.9	4.8	6.9	7.0	3	Associate professionals
14.4	12.4	11.2	20.0	21.2	21.3	20.8	20.0	41	Mech & fabrication eng tradespersons
11.6	9.8	9.5							
20.9	17.8	16.5	15.3	16.1	16.7	17.2	18.0	43	Electrical & electronics tradespersons
28.8	23.8	25.5	26.7	26.0	24.7	24.6	26.7	44	Construction tradespersons
3.6	2.0	2.0	2.3	2.4	2.2	2.0	1.7	491	Printing tradespersons
23.4	19.6	18.9	21.0	23.0	23.9	23.3	23.0	42	Automotive tradespersons
13.9	13.5	15.2	14.9	16.0	16.8	17.3	20.5	45	Food tradespersons
3.4	3.4	3.5	3.4	3.3	3.2	3.2	3.7	46	Skilled agric & horticultural workers
12.2	11.3	11.2	9.8	9.7	9.5	9.5	10.0	4931	Hairdressers
10.8	9.2	9.6	6.9	6.9	6.8	6.7	7.1	4999	Other misc tradespersons & related
5.1	8.4	3.7	0.1	0.2	0.2	0.2	0.1	5	Advanced clerical & service workers
2.6	4.7	2.8	8.1	15.1	21.7	30.7	50.0	6	Intermediate clerical, sales & service workers
			2.1	4.8	6.6	9.9	34.6	8	Elementary clerical, sales & service workers
0.5	0.6	0.5	0.5	1.5	2.1	3.4	7.4	7	Intermediate production & transport workers
0.6	0.9	0.7	2.0	5.0	8.7	14.6	22.4	9	Labourers & related workers
151.9	**137.5**	**131.1**	**136.0**	**156.7**	**172.3**	**194.2**	**256.5**	**TOTAL**	

While the tradespersons and related workers occupation category overall experienced relatively little growth over the period 1995 to 1999, there was a mixture of growth and decline within this occupational category:

- The food tradespersons and electrical and electronics tradespersons categories showed the greatest growth with annual growth rates of 8.3% and 4.1% respectively over the period 1995 to 1999.
- The mechanical and fabrication engineering tradespersons and construction categories showed the least growth with annual growth rates of 0.0% and 0.0% respectively over the period 1995 to 1999 (table 4).

The table below shows employment forecasts for the tradespersons occupations.

The automotive tradespersons occupation category is the only trade occupation forecast to decline in employment numbers from 1997/98 to 2000/01. All other trade occupation are forecast to grow in employment numbers, most particularly construction tradespersons and electrical and electronics tradespersons (table 5).

Table 5: Tradespersons occupations employment forecasts

Occupation		Average annual growth 97/98 - 00/01 (% pa)	Total employment 1997/98 ('000)	Total employment 2000/01 ('000)	Share of total employment 1997/98 (%)	Share of total employment 2000/01 (%)
Tradepersons and related workers		**1.5**	**1154.5**	**1205.6**	**13.5**	**13.5**
41	Mechanical & Fabrication engineering tradespersons	0.4	207.5	209.8	2.4	2.3
42	Automotive tradespersons	-0.7	138.3	135.4	1.6	1.5
43	Electrical and electronics tradespersons	2.5	178.2	192.2	2.1	2.1
44	Construction tradespersons	3.9	262.4	294.6	3.1	3.3
45	Food tradespersons	1.1	85.9	88.9	1.0	1.0
46	Skilled agricultural and horticultural workers	0.4	71.7	72.5	0.8	0.8
49	Other tradespersons and related workers	0.3	210.5	212.2	2.5	2.4

Source: Murphy, Chris & Douglas, Justin 1998, The Outlook for Jobs, Econtech, Kingston, ACT.

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The changing focus in training

There are numerous ways in which entry-level training can be undertaken, for example, by enrolling with a VET provider while still at school, by participating in a VET-in-schools program, by undertaking a post-school course at TAFE, or by doing an apprenticeship or traineeship. In addition, the focus of training shifts in response to the changing demands of the labour force and associated growth and decline in particular industry areas. Apprentices and trainees account for around only 20% of people undertaking vocational education and training each year in Australia. The number of people participating in apprenticeships and traineeships reached over 250,000 for the first time in 1999.

Details of the number of apprentices and trainees in training between 1985 and 1999, based on occupational groups (Australian Standard Classification of Occupations), are provided in table 3. Until 1996/97 trainees can generally be identified as appearing in occupational groups 1, 2, 3, 5, 6, 7 and 8, while apprentices are generally found in the groups prefixed with 4.

When first introduced in 1985, traineeships were offered mainly in clerical and retail occupations and were generally of one year in duration. Apprenticeships at that time were generally four years in duration and were offered in traditional trade based occupations. Since 1985, the number of trainees in training have grown rapidly as a variety of new traineeships have been developed in industry areas such as horticulture, agriculture, manufacturing, utilities and transport and storage.

The years from 1995 to 1999 have seen massive increases in new occupations, largely in the number of contracts of training at AQF level II or lower or equivalent or of two or less years duration. Apprenticeships and traineeships in clerical, sales or service occupations multiplied more than seven times between 30 June 1995 and 30 June 1999 compared with more than 13 times for intermediate production and transport workers and 10 times for labourers and related workers.

Growth in contracts of training at level II or lower or of two or less years duration has not been restricted to the non-trade occupations. For example, considerable growth in these types of contracts has occurred in the predominantly trade-oriented labourers and related workers occupational category.

Subsidy arrangements

From the introduction of New Apprenticeships on 1 January 1998, the Commonwealth Department of Education, Training and Youth Affairs (DETYA) introduced a new entry level training incentives regime. The Commonwealth Incentives Programme for New Apprenticeships provides pecuniary incentives for employers to employ and retain New Apprentices which are paid to the employer after a specified waiting period from the formal approval of the training agreement has been served. The waiting period is three months for full-time Certificate I, III and IV and all part-time New Apprenticeships (table 6).

Additional incentives or support is also available to employers taking on new rural or regional New Apprentices or disabled New Apprentices.

New Apprentices may also be eligible for a living away from home allowance of $70 per week for the first 12 months of their New Apprenticeship if he/she has had to move away from his/her parental/guardian home to commence or remain in a New Apprenticeship.

Table 6: Guide to Commonwealth Incentives Regime for New Apprentices who commence/recommence from 1 January 1998 ($)

Payment	Commonwealth Employer Incentives Regime from 1 January 1998 ($)	
	Certificate II	Certificate III or IV
Commencement	1,250	1,250
Recommencement for employers who recommence a Certificate III or IV New Apprenticeship, except for 'not for profit' Group Training Companies	nil	750
Recommencments for 'not for profit' Group Training Companies	nil	500
Progession for employers who have a New Apprentice from Certificate II training to Certificate III or IV training	nil	1,250
Rural and regional progression for employers and registered Group Training Companies who progress a New Apprentice from Certificate II training to Certificate III or IV training in an occupation identified as a skill shortage in a non-metropolitan area.	nil	1,000
Completion for employers except for 'not for profit' Group Training Companies	nil	1,500
Completion for all employers including 'not for profit' Group Training Companies who recommence an out of trade Certificate III or IV New Apprentice	nil	1,500
Group Training Companies additional incentive for **traineeship** commencement	1,000	1,000
Women in a non-traditional traineeship/apprenticeship	1,000	1,000
Sporting operations traineeship	3,000	nil
Exceptional circumstances 'declared drought'	3,000	

Source: Department of Education, Training and Youth Affairs

To be eligible to receive Commonwealth incentives, both the employer and the New Apprentice must satisfy the relevant eligibility criteria as set out in the Commonwealth New Apprenticeships Incentives Programme Guidelines.

Public funding of apprenticeships and traineeships

Public funding of apprenticeships and traineeships is drawn from two major sources:

- The operating expenditures of the Department of Employment, Training and Youth Affairs, which can be sub-divided into:
  - grants and subsidies paid to employers of apprentices and trainees
  - the operating expenditures of the DETYA VET Division
- The operating expenditures of state/territory training authorities and ANTA, which can be sub-divided into:
  - grants and subsidies from Commonwealth revenues
  - state and territory recurrent allocations for VET
  - fees and charges, fee-for-service receipts and other income

The Australian (VET) system is a multi-billion dollar industry. For 1997, 1998 and 1999 the total operating expenditures of the publicly-funded VET system, when measured on an accrual basis, totalled around $3.95 billion, in contrast to $3.54 billion in 1996 (table 7). The total does not include private-sector expenditure on VET, which is estimated to be of a similar order to the publicly-funded sector. Current data collection arrangements do not separate operating expenditures on VET provision generally from expenditures on apprentices and trainees. However, it is possible to make an informed lower-bound estimate of the public-sector operating expenditures on apprentices and trainees. For 1998 this estimate is $600 million out of the total operating expenditures of $3.95 billion, based on the assumption that 15% of all students undertaking VET with providers in receipt of public funds are apprentices and trainees. This estimate is a conservative one because the proportion of VET students who are apprentices and trainees may be more than 15% and the courses in which apprentices and trainees enrol are known to involve above-average delivery costs.

The breakdown of accrual-based operating expenditures and student numbers for all public VET provision among the States and Territories, and the number of apprentices and trainees in training at 30 June 1999, is shown in table 7 and figure 3, below.

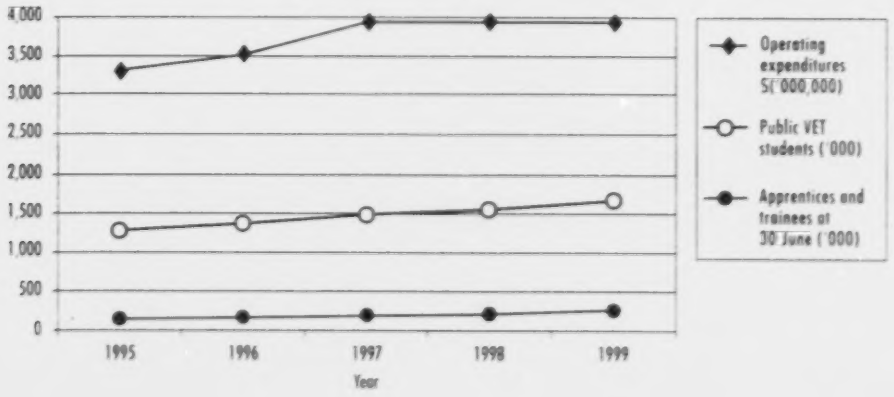
It is clear that public expenditure on the New Apprenticeships system is considerable. On the other hand, it is equally clear that this expenditure is a relatively small component of total public-sector operating expenditures on VET training generally and its significance should not be overstated.

Table 7: Accrual based operating expenditure, student and apprentice and trainee numbers, 1995 to 1999

	1995	1996	1997	1998	1999
Accrual-based operating expenditures $ ('000) (a)	3,297.30	3,535.50	3,953.60	3,949.2	3,940.0
Students enrolled with VET providers ('000)	1,272.70	1,347.40	1,458.60	1,535.20	1,647.2
Apprentices and trainees in training at 30 June ('000)	136.0	156.7	172.3	194.2	256.5

Note (a): excludes operating expenditures of DETYA VET Division and grants and subsidies paid to employers.

Figure 3: Accrual based operating expenditure, VET student numbers, and apprentice and trainee numbers, 1995 to 1999



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